H-1042.1			

## HOUSE BILL 1620

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State of Washington 57th Legislature 2001 Regular Session

By Representatives Delvin, O'Brien, Mielke, Kirby, Ericksen, Esser, Lovick, Cooper, B. Chandler, Ruderman, Mulliken and Dunn

Read first time 01/31/2001. Referred to Committee on Transportation.

- 1 AN ACT Relating to removing the requirement that tow truck 2 operators accept personal checks for the redemption of vehicles; and
- 3 amending RCW 46.55.120.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 46.55.120 and 2000 c 193 s 1 are each amended to read 6 as follows:
- 7 (1) Vehicles or other items of personal property registered or 8 titled with the department that are impounded by registered tow truck 9 operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or 9A.88.140 may be redeemed only under the following circumstances:
- (a) Only the legal owner, the registered owner, a person authorized 11 12 in writing by the registered owner or the vehicle's insurer, a person 13 who is determined and verified by the operator to have the permission 14 of the registered owner of the vehicle or other item of personal 15 property registered or titled with the department, or one who has 16 purchased a vehicle or item of personal property registered or titled 17 with the department from the registered owner who produces proof of ownership or written authorization and signs a receipt therefor, may 18 redeem an impounded vehicle or items of personal property registered or 19

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titled with the department. In addition, a vehicle impounded because the operator is in violation of RCW 46.20.342(1)(c) shall not be released until a person eligible to redeem it under this subsection (1)(a) satisfies the requirements of (e) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency. If the department's records show that the operator has been convicted of a violation of RCW 46.20.342 or a similar local ordinance within the past five years, the vehicle may be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. A vehicle impounded because the operator is arrested for a violation of RCW 46.20.342 may be released only pursuant to a written order from the agency that ordered the vehicle impounded or from the court having jurisdiction. An agency may issue a written order to release pursuant to a provision of an applicable state agency rule or local ordinance authorizing release on the basis of economic or personal hardship to the spouse of the operator, taking into consideration public safety factors, including the operator's criminal history and driving record. 

If a vehicle is impounded because the operator is in violation of RCW 46.20.342(1) (a) or (b), the vehicle may be held for up to thirty days at the written direction of the agency ordering the vehicle impounded. However, if the department's records show that the operator has been convicted of a violation of RCW 46.20.342(1) (a) or (b) or a similar local ordinance within the past five years, the vehicle may be held at the written direction of the agency ordering the vehicle impounded for up to sixty days, and for up to ninety days if the operator has two or more such prior offenses. If a vehicle is impounded because the operator is arrested for a violation of RCW 46.20.342, the vehicle may not be released until a person eligible to redeem it under this subsection (1)(a) satisfies the requirements of (e) of this subsection, including paying all towing, removal, and storage fees, notwithstanding the fact that the hold was ordered by a government agency.

(b) If the vehicle is directed to be held for a suspended license impound, a person who desires to redeem the vehicle at the end of the period of impound shall within five days of the impound at the request of the tow truck operator pay a security deposit to the tow truck operator of not more than one-half of the applicable impound storage rate for each day of the proposed suspended license impound. The tow

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truck operator shall credit this amount against the final bill for 1 2 removal, towing, and storage upon redemption. The tow truck operator may accept other sufficient security in lieu of the security deposit. 3 4 If the person desiring to redeem the vehicle does not pay the security 5 deposit or provide other security acceptable to the tow truck operator, the tow truck operator may process and sell at auction the vehicle as 6 7 an abandoned vehicle within the normal time limits set out in RCW 8 46.55.130(1). The security deposit required by this section may be 9 paid and must be accepted at any time up to twenty-four hours before 10 the beginning of the auction to sell the vehicle as abandoned. registered owner is not eligible to purchase the vehicle at the 11 auction, and the tow truck operator shall sell the vehicle to the 12 highest bidder who is not the registered owner. 13

(c) Notwithstanding (b) of this subsection, a rental car business may immediately redeem a rental vehicle it owns by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held for a suspended license impound.

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(d) Notwithstanding (b) of this subsection, a motor vehicle dealer 18 19 or lender with a perfected security interest in the vehicle may redeem 20 or lawfully repossess a vehicle immediately by payment of the costs of removal, towing, and storage, whereupon the vehicle will not be held 21 for a suspended license impound. A motor vehicle dealer or lender with 22 a perfected security interest in the vehicle may not knowingly and 23 24 intentionally engage in collusion with a registered owner to repossess 25 and then return or resell a vehicle to the registered owner in an 26 attempt to avoid a suspended license impound. However, this provision does not preclude a vehicle dealer or a lender with a perfected 27 security interest in the vehicle from repossessing the vehicle and then 28 29 selling, leasing, or otherwise disposing of it in accordance with 30 chapter ((62A.9)) 62A.9A RCW, including providing redemption rights to 31 the debtor under ((RCW 62A.9-506)) chapter 62A.9A RCW. If the debtor is the registered owner of the vehicle, the debtor's right to redeem 32 the vehicle under chapter ((62A.9)) 62A.9A RCW is conditioned upon the 33 34 debtor obtaining and providing proof from the impounding authority or 35 court having jurisdiction that any fines, penalties, and forfeitures owed by the registered owner, as a result of the suspended license 36 37 impound, have been paid, and proof of the payment must be tendered to 38 the vehicle dealer or lender at the time the debtor tenders all other obligations required to redeem the vehicle. Vehicle dealers or lenders 39

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are not liable for damages if they rely in good faith on an order from the impounding agency or a court in releasing a vehicle held under a suspended license impound.

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4 (e) The vehicle or other item of personal property registered or titled with the department shall be released upon the presentation to any person having custody of the vehicle of commercially reasonable 7 tender sufficient to cover the costs of towing, storage, or other services rendered during the course of towing, removing, impounding, or 9 storing any such vehicle, with credit being given for the amount of any security deposit paid under (b) of this subsection. In addition, if a vehicle is impounded because the operator was arrested for a violation of RCW 46.20.342 or 46.20.345 and was being operated by the registered 12 owner when it was impounded under local ordinance or agency rule, it must not be released to any person until the registered owner establishes with the agency that ordered the vehicle impounded or the court having jurisdiction that any penalties, fines, or forfeitures owed by him or her have been satisfied. Registered tow truck operators are not liable for damages if they rely in good faith on an order from 19 the impounding agency or a court in releasing a vehicle held under a suspended license impound. Commercially reasonable tender ((shall)) includes, without limitation,  $cash((\tau))$  or major bank credit cards issued by financial institutions((, or personal checks drawn on Washington state branches of financial institutions if accompanied by two pieces of valid identification, one of which may be required by the operator to have a photograph. If the towing firm cannot determine through the customer's bank or a check verification service that the presented check would be paid by the bank or guaranteed by the service, the towing firm may refuse to accept the check)). Any person who stops payment on a personal check or credit card, or does not make restitution within ten days from the date a check becomes insufficient due to lack of funds, to a towing firm that has provided a service pursuant to this section or in any other manner defrauds the towing firm in connection with services rendered pursuant to this section shall be liable for damages in the amount of twice the towing and storage fees, plus costs and reasonable attorney's fees.

(2)(a) The registered tow truck operator shall give to each person who seeks to redeem an impounded vehicle, or item of personal property registered or titled with the department, written notice of the right of redemption and opportunity for a hearing, which notice shall be

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- 6 (b) Any person seeking to redeem an impounded vehicle under this 7 section has a right to a hearing in the district or municipal court for 8 the jurisdiction in which the vehicle was impounded to contest the 9 validity of the impoundment or the amount of towing and storage 10 charges. The district court has jurisdiction to determine the issues involving all impoundments including those authorized by the state or 11 its agents. The municipal court has jurisdiction to determine the 12 13 issues involving impoundments authorized by agents of the municipality. Any request for a hearing shall be made in writing on the form provided 14 15 for that purpose and must be received by the appropriate court within 16 ten days of the date the opportunity was provided for in subsection 17 (2)(a) of this section and more than five days before the date of the At the time of the filing of the hearing request, the 18 19 petitioner shall pay to the court clerk a filing fee in the same amount required for the filing of a suit in district court. If the hearing 20 request is not received by the court within the ten-day period, the 21 right to a hearing is waived and the registered owner is liable for any 22 23 towing, storage, or other impoundment charges permitted under this 24 chapter. Upon receipt of a timely hearing request, the court shall 25 proceed to hear and determine the validity of the impoundment.
  - (3)(a) The court, within five days after the request for a hearing, shall notify the registered tow truck operator, the person requesting the hearing if not the owner, the registered and legal owners of the vehicle or other item of personal property registered or titled with the department, and the person or agency authorizing the impound in writing of the hearing date and time.
- 32 (b) At the hearing, the person or persons requesting the hearing 33 may produce any relevant evidence to show that the impoundment, towing, 34 or storage fees charged were not proper. The court may consider a 35 written report made under oath by the officer who authorized the 36 impoundment in lieu of the officer's personal appearance at the 37 hearing.
- 38 (c) At the conclusion of the hearing, the court shall determine 39 whether the impoundment was proper, whether the towing or storage fees

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charged were in compliance with the posted rates, and who is responsible for payment of the fees. The court may not adjust fees or charges that are in compliance with the posted or contracted rates.

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- (d) If the impoundment is found proper, the impoundment, towing, and storage fees as permitted under this chapter together with court costs shall be assessed against the person or persons requesting the hearing, unless the operator did not have a signed and valid impoundment authorization from a private property owner or an authorized agent.
- 10 (e) If the impoundment is determined to be in violation of this chapter, then the registered and legal owners of the vehicle or other 11 item of personal property registered or titled with the department 12 13 shall bear no impoundment, towing, or storage fees, and any security 14 shall be returned or discharged as appropriate, and the person or 15 agency who authorized the impoundment shall be liable for any towing, storage, or other impoundment fees permitted under this chapter. 16 court shall enter judgment in favor of the registered tow truck 17 operator against the person or agency authorizing the impound for the 18 19 impoundment, towing, and storage fees paid. In addition, the court 20 shall enter judgment in favor of the registered and legal owners of the vehicle, or other item of personal property registered or titled with 21 22 the department, for the amount of the filing fee required by law for 23 the impound hearing petition as well as reasonable damages for loss of 24 the use of the vehicle during the time the same was impounded, for not 25 less than fifty dollars per day, against the person or agency 26 authorizing the impound. However, if an impoundment arising from an alleged violation of RCW 46.20.342 or 46.20.345 is determined to be in 27 violation of this chapter, then the law enforcement officer directing 28 29 the impoundment and the government employing the officer are not liable 30 for damages if the officer relied in good faith and without gross 31 negligence on the records of the department in ascertaining that the operator of the vehicle had a suspended or revoked driver's license. 32 If any judgment entered is not paid within fifteen days of notice in 33 34 writing of its entry, the court shall award reasonable attorneys' fees 35 and costs against the defendant in any action to enforce the judgment. Notice of entry of judgment may be made by registered or certified 36 37 mail, and proof of mailing may be made by affidavit of the party 38 mailing the notice. Notice of the entry of the judgment shall read 39 essentially as follows:

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Τ	10:
2	YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in the
3	Court located at in the sum of
4	\$, in an action entitled $$ , Case No.
5	YOU ARE FURTHER NOTIFIED that attorneys fees and costs
6	will be awarded against you under RCW $\dots$ if the judgment is
7	not paid within 15 days of the date of this notice.
8	DATED this day of (year)
9	Signature
10	Typed name and address
11	of party mailing notice

12 (4) Any impounded abandoned vehicle or item of personal property 13 registered or titled with the department that is not redeemed within 14 fifteen days of mailing of the notice of custody and sale as required 15 by RCW 46.55.110(3) shall be sold at public auction in accordance with all the provisions and subject to all the conditions of RCW 46.55.130. 16 17 A vehicle or item of personal property registered or titled with the department may be redeemed at any time before the start of the auction 18 19 upon payment of the applicable towing and storage fees.

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